

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking Regarding the
Implementation of the Suspension of Direct
Access Pursuant to Assembly Bill 1X and
Decision 01-09-060.

Rulemaking 02-01-011
(Filed January 9, 2002)

**ADMINISTRATIVE LAW JUDGE'S RULING
PROVIDING AGENDA FOR MUNICIPAL
DEPARTING LOAD BILLING AND COLLECTION WORKSHOP**

I. Introduction

By ruling dated December 23, 2004, a workshop was scheduled for January 31, 2005, to address the process to implement billing and collection relating to cost responsibility surcharges (CRS) for "Municipal Departing Load" (MDL), pursuant to Decision (D.) 03-07-028 as modified by D.03-08-076, D.04-11-014, and D.04-12-059. MDL billing and collection applies to all CRS elements, including recovery of Pacific Gas and Electric Company's Regulatory Asset, as addressed in D.04-11-015. This ruling sets forth the agenda for the workshop, as attached hereto, based upon review of parties' opening and reply comments. For any issues that have been designated for the billing and collection phase, but that are not covered in the workshop agenda, a subsequent Administrative Law Judge's ruling will provide further direction concerning their disposition.

Parties that do not send a representative to the workshop may participate by telephone by calling the following number. The conference phone number for the workshop is (877) 954-0966. The passcode is 805443.

IT IS RULED that the attached workshop agenda is hereby provided for use in the workshop on Municipal Departing Load Cost Responsibility Surcharges Billing and Collection issues previously scheduled for January 31, 2005.

Dated January 26, 2005, at San Francisco, California.

/s/ THOMAS R. PULSIFER

Thomas R. Pulsifer
Administrative Law Judge

ATTACHMENT

R.02-01-011

Agenda for MDL Billing And Collection Energy Division Technical Workshop January 31, 2005

I. Introductory Remarks and Introductions

II. Review of Objective of the Workshop and Agenda Topics

“Billing and collection issues must be resolved so that the IOUs can implement tariffs to bill and collect applicable MDL CRS provisions.”

(December 23, 2004 ALJ Ruling: p. 1.)

The workshop is intended to seek consensus and/or narrow areas of differences among the parties on issues identified in the December 23, 2004 ALJ Ruling on MDL billing and collection. The workshop is also intended to identify additional data that may be needed and/or further discovery or proceedings necessary to resolve outstanding issues. To the extent that an issue was raised in the ALJ Ruling and/or in parties’ responsive comments that are not set forth in this Workshop Agenda, such issues shall be separately addressed in a subsequent ALJ ruling.

III. Ground Rules for the Workshop

For each topic of discussion set forth below, representatives of each participating party will be provided an opportunity to state their position and then answer questions from other participants. Participants should not use the question and answer session to engage in legal argument or extended monologs, but rather to develop an understanding of how a proposed process would work, or how a potential problem could be addressed.

The order of presentation by participants will be at the discretion of the workshop moderator. Because representatives of certain parties may share common positions, such participants should agree on common designated spokespersons, where feasible, to avoid repetition and economize workshop time. After each topic of discussion is completed, the workshop moderator will summarize areas of agreement, areas of disagreement, and issues requiring further data gathering, briefing, and/or possible evidentiary hearings. This process will be completed for each discussion topic before moving on to the next workshop discussion topic.

At the conclusion of the workshop, the Energy Division will prepare a workshop report to be submitted to the ALJ, with opportunity for parties to comment thereon.

IV. Topics of Discussion

A. Identifying Customers and Measuring Usage Required for Billing MDL CRS

“In order to implement MDL CRS billing and collection, procedures must be established to identify applicable customers of publicly owned utilities (POUs), together with per-kWh billable usage for calculating customer bills. Since IOU billing records do not contain data for customers of POUs, measures must be devised whereby the IOUs can access the data necessary to bill and collect (the) CRS from the applicable customers of POUs.” (*December 23, 2004 ALJ Ruling: p. 3.*)

Two Broad Options for identifying customers and measuring usage are coordination and cooperation between IOUs and POUs, and alternatives not involving POU assistance.

1. Options Involving IOU and POU Coordination and Assistance

- (1) SCE's Municipal Service Plan Agreement modeled after the IOUs method of collecting the IOUs Utility Users Tax, in which POUs would charge its eligible customers the MDL CRS and remit the collections to the IOUs.
- (2) SCE's Municipal Data Provision Plan in which the POUs provide data to the IOUs and the IOUs bill the MDL customers directly.
- (3) Related Issues:
 - a. POU willingness to assist in coordination efforts
 - b. Provisions to safeguard confidentiality of customer data

2. Alternatives Not Involving POU Assistance

- (1) PG&E Proposed Approach Contained in Advice Letter 2433-E (transferred load) and 2483-E (for new load).
- (2) Modesto's recommendation: PG&E's expired E-DEPART tariff schedule may be used as a starting point for transferred load billing procedures, but not for New MDL.
- (3) Seek FERC's involvement in which it would collect MDL CRS through FERC tariff and remit collections to the IOUs.

B. Billing and Collection Protocols:

1. What processes should be implemented to provide individual customer notice to each customer that is to be billed for MDL CRS?
2. If a customer moves into an existing building whose previous customer was paying the CRS, what's that new customer's CRS responsibility, if any?

3. What sort of MDL customer complaint resolution mechanism can be implemented?
4. What remedy will be used for nonpayment?
5. How would the IOU tariffs breakdown the CRS and other Nonbypassible charges?
 - What charges are transferred MDL customers exempted from paying?
 - What charges are New MDL customers exempted from paying?

C. Issues Relating to Administration of the CRS Exemption Credits Authorized in D.04-11-014

1. “The Commission also called for the cap to be converted into a megawatt-hour figure through the use of an appropriate load factor for ease of administration.” *(December 23, 2004 ALJ Ruling, p. 7.)*
 - a. Each IOU should provide system average load factors from load research studies from which the applicable MW cap can be converted into a corresponding MWH figure.
2. “...The process, criteria, and evidentiary basis to determine how, or to what extent, the 80 MW cap should be modified pursuant to the directives in D.04-11-014.” *(December 23, 2004 ALJ Ruling, p. 7.)*
 - a. Participants should refrain from arguing over the specific merits of the 80 MW cap, but focus on HOW a proper cap value should be determined. The goal is not to agree on a cap at the workshop, but to develop common principles as to how the level of any cap should be determined, and what additional discovery, etc. may be needed. Also, seek consensus on what category or categories of new load the cap would apply, consistent with the relevant Commission decisions.
3. Specific protocols for administering the first-come, first-served rules for MDL customers of POUs seeking to qualify for authorized CRS exclusions. *(December 23, 2004 ALJ Ruling: pp. 7-8.)*

- a. How will the POUs notify the IOUs of the unused exemption for MDL customers within their territories?
 - i. How will customers be able to compute their used exemptions?
 - Transferred load
 - Modesto indicates in page seven of its opening comments that it believes that most of Modesto's load that departed from PG&E elected that have their consumption measured on their usage over the previous 12-months prior to departure.
 - New Load
 - ii. When will MDL customers identified in the Bypass Report need to notify the POUs of the unused exemptions?
 - iii. How will the IOUs (or the POUs) track and allot the unused exemption of a first-come, first-used basis?
 - iv. What role, if any, can the California Energy Commission (CEC) take in tracking/allotting the CRS exemption?
 - Edison proposes that the CEC administer the MDL CRS exemption for New MDL similarly to the way it administers the CGDL CRS exemption.

D. MDL CRS Cents Per-kWh Cap

“Parties shall identify their substantive position on what level of CRS cap, if any, should be imposed, with supporting reasons and justification.”

(December 23, 2004 ALJ Ruling: p. 8.)

Participants should identify what factors they believe the Commission should consider in answering this question, and whether any additional discovery and/or hearings are needed.

E. Quantification of Total MDL CRS Obligations to Date

1. The Commission is due to consider a draft decision adopting CRS obligations for DA load for the 2001-2003 period at its January 27, 2005 meeting. What additional modeling or data input is needed (e.g., MDL MWH volumes for transferred and new load) to perform a calculation of the total MDL CRS obligations accrued to date? Does DWR/Navigant need to be involved in the modeling? What outstanding questions/ issues need to be decided in order to move forward with calculating the total MDL CRS obligation? How soon can any remaining data input be provided and modeling runs performed?
2. Additional Related Questions
 - a. How will a customer's departure date be captured in this calculation?
 - b. How will MDL customers, who have helped finance the DA undercollection as bundled customers, receive a credit against their CRS once they've become an MDL customers?
 - c. How will load and the CRS amount be verified?

F. Commission Prioritization of Processing of MDL Advice Letter Tariffs

1. Are certain MDL billing components less controversial such that advice letters for such MDL billing components may be processed by the Commission on a more expedited schedule?

(END OF ATTACHMENT)

CERTIFICATE OF SERVICE

I certify that I have by mail, and by electronic mail to the parties to which an electronic mail address has been provided, this day served a true copy of the original attached Administrative Law Judge's Ruling Providing Agenda for Municipal Departing Load Billing and Collection Workshop on all parties of record in this proceeding or their attorneys of record.

Dated January 26, 2005, at San Francisco, California.

/s/ FANNIE SID

Fannie Sid

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.